

**ALTERNATIVE EXPENDITURE LIMITATION
(Home Rule Option)
DETAILED ANALYSIS**

Pursuant to the Arizona State Constitution, the Town of Jerome, as authorized by Resolution #534 passed on April 19, 2016, will seek voter approval to adopt an alternative expenditure limitation (Home Rule Option) to apply to the Town for the next four years beginning in 2017-2018.

Under a Home Rule Option if approved by the voters, the city/town estimates it will be allowed to expend approximately \$3,164,823 in 2017-2018, \$3,056,503 in 2018-2019, \$3,105,298 in 2019-2020 and \$3,461,204 in 2020-2021.

With approval of the Home Rule Option, the town will utilize the expenditure authority for all local budgetary purposes including police, fire, magistrate court, parks and recreation, library services, street maintenance and improvements, property maintenance and improvements, water and wastewater systems operations and maintenance, refuse and recycling services, housing rehabilitation and general government. We estimate that the expenditures for the next four years under the Home Rule Option will be as follows:

ESTIMATED AMOUNTS TO BE EXPENDED IN SPECIFIC AREAS

Purpose	2017-2018	2018-2019	2019-2020	2020-2021
Police	433,509	443,202	454,986	460,845
Fire	315,973	321,441	327,205	333,263
Magistrate Court	68,846	72,893	73,051	75,319
Parks & Recreation	14,982	15,261	18,555	18,964
Library Services	85,869	87,991	90,228	92,580
Street Maintenance & Improvements	91,436	94,155	97,021	100,034
Property Maintenance & Improvements (including contingencies)	711,524	728,662	732,970	735,591
Water & Wastewater Systems Operation & Maintenance	501,451	511,451	511,451	521,450
Refuse & Recycling Services	187,000	187,000	192,000	192,000
Housing Rehabilitation	150,000	0	0	300,000
General Government	604,233	594,447	607,831	631,158
Total Expenditures	3,164,823	3,056,503	3,105,298	3,461,204

If approved, the expenditures authorized will be funded from revenues obtained from federal, state and local sources. It is estimated that the amount of revenue from each source for the next four years will be as follows:

ESTIMATED AMOUNTS OF REVENUE FROM EACH AND ANY SOURCE

Source	2017-2018	2018-2019	2019-2020	2020-2021
Federal	150,000	-0-	-0-	300,000
State	495,652	504,519	513,864	523,688
Local	2,519,171	2,551,984	2,591,434	2,637,516
Total Revenues	3,164,823	3,056,503	3,105,298	3,461,204

The town property tax shall be limited to the amount prescribed in the Arizona State Constitution.

In determining the revenue sources to fund the authorized additional expenditures under the alternative expenditure limitation, it is assumed that the federal, state and local revenues received by the city/town will continue to be available in 2017-2018 as they have for the past four years. Their continued availability is also assumed for the next three consecutive years following 2017-2018.

Any and all dollar figures shown in this analysis are estimated figures only and are based upon information available at the time of preparation of this report. The budgets and actual expenditures in any given year may be more or less than the figures noted above depending on available revenues. The actual expenditure limitation for each fiscal year shall be adopted as an integral part of the budget for that fiscal year.